

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM129043

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
CRESCENT HALE 1 FEDERAL

9. API Well No.
30-015-37652-00-S1

10. Field and Pool, or Exploratory
BONE SPRINGS
UNDESIGNATED

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CIMAREX ENERGY COMPANY OF CO

Contact: RHONDA SHELTON

E-Mail: rsheldon@cimarex.com

3a. Address

202 S CHEYENNE AVE SUITE 1000
TULSA, OK 74103.4346

3b. Phone No. (include area code)

Ph: 918.295.1709

Fx: 918.749.8059

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 1 T19S R30E NWNW 330FNL 330FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CIMAREX REQUESTS PERMISSION TO FLARE APPROX 4693 MCF FOR JANUARY 2016 DUE TO EQUIPMENT PROBLEMS.

Accepted for record
NMOCD 3/30/16
JB

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 14 2016

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #329285 verified by the BLM Well Information System
For CIMAREX ENERGY COMPANY OF CO, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/25/2016 (16PP0230SE)

Name (Printed/Typed) RHONDA SHELTON

Title PREPARER

Signature (Electronic Submission)

Date 01/21/2016

ACCEPTED FOR RECORD SPACE FOR FEDERAL OR STATE OFFICE USE

/S/ DAVID R. GLASS

Approved By MAR 03 2016

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #329285 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM129043	NMNM129043	CRESCENT HALE 1 FEDERAL 1	30-015-37652-00-S1	Sec 1 T19S R30E NWNW 330FNL 330FWL
NMNM134700	NMNM129043	CRESCENT HALE 1 FEDERAL CO	30-015-38524-00-S1	Sec 1 T19S R30E NENW 330FNL 2310FWL

10. Field and Pool, continued

UNDESIGNATED

CIMAREX ENERGY CO OF COLORADO

WELLS USING FLARE:	API	S/T/R	FOOTAGES	AGREEMENT	LEASE
CRESCENT HALE 1 FED 1H	30-015-37652	01-19S-30E	330 FNL 330 FWL		NMNM129043
CRESCENT HALE 1 FED 2H	30-015-38524	01-19S-30E	330 FNL 2130 FWL		NMNM129043

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Cimarex Energy Company Of Colorado
Crescent Hale 1 Federal 1 & 2H
Federal Lease NM-129043

Approved 03-03-2016

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes, and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, (from 01-01-2016 to 03-31-2016), if flaring is still required past 90 days submit new request for approval.
9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.